GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4171
ANSWERED ON:15.12.2000
STRENGTHENING CAPITAL BASE OF REGIONAL RURAL BANKS
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Will the Minister of FINANCE be pleased to state:

(a) whether Union Government are not making adequate budgetary allocation forstrengthening the capital base of Regional Rural Banks;

(b) if so, the money invested by the Government RRBs during each of the last three years;and

(c) the amount of dividend paid by RRBs?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH) :

(a) and (b) During the last three years i.e. 1997-98, 1998-99 and 1999-2000 Government of India has released Rs. 200.00 crore, Rs. 152.65 crore and Rs. 168.00 crore respectively for recapitalisation of RRBs. Thus adequate budgetary support is being given.

(c) As per section 21 of the RRBs Act, 1976, after making provisions for bad and doubtfuldebts, depreciation in assets, contribution to staff and superannuation funds and all other matters for which provision is, under law, necessary or which are usually provided for by banking companies, RRBs may, out of its net profits, declare a dividend. Financialperformance of RRBs has not so far permitted them to declare dividend.